

# **EHB 3901: JOINT WELFARE REFORM PROPOSAL**

## **WASHINGTON'S WORKFIRST PROGRAM**

AS SIGNED BY GOVERNOR LOCKE, 4/17/97

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### **Q. What is WorkFirst?**

WorkFirst is based on two major beliefs:

- \* Welfare is no longer an entitlement.
- \* Job search and work experience are the best ways to help people find permanent paid, unsubsidized employment and work their way out of poverty.

Unless otherwise exempt, all welfare recipients, including legal immigrants, are required to participate in WorkFirst programs.

We support a wide variety of WorkFirst programs, including temporary subsidized employment and community service jobs, but our first goal is to focus each recipient on obtaining paid, unsubsidized employment.

Through June 1999, the Department of Social and Health Services (DSHS) may exempt mothers with children under the age of one from the work requirements of the act. After June 1999, only mothers with children under three months old will be exempt. DSHS may also exempt recipients and their families from the five-year time limit on the basis of hardship, battering, or severe abuse. The department may choose to exempt up to 20 percent of the welfare caseload from the five-year time limit.

### **Q. How much will this cost?**

A. We've increased funding for welfare by \$163 million in federal and state dollars for the 1997-99 biennium for a total of \$1.6 billion in funding. Working within this budget, the proposal relies on caseload reduction over the next two years to fund the additional benefits necessary to help our most vulnerable families.

Able-bodied adults are expected to find work and leave the welfare rolls so DSHS can provide assistance to those most in need. The new federal block grants give states much flexibility in public assistance programs. Based on their success, states like Oregon and Wisconsin are able to increase funding for their remaining public assistance recipients to help them rise out of poverty.

### **Q. How will people find jobs and how will we keep them off welfare?**

A. We're confident that DSHS can help at least 15 percent of the state's welfare families off public assistance and into permanent employment over the next two years-- without replacing them with new recipients.

The first step in reducing the number of families dependent on welfare is to prevent them from becoming dependent in the first place. This proposal allows DSHS to give one-time, temporary assistance up to \$1500 to prevent people from joining the welfare rolls. Medical emergencies, car repairs, and other unexpected problems can be solved using this approach rather than forcing families on welfare. We've also retained an emergency assistance program to help families in times of dire need.

For those already on welfare, the goal is to help them get work experience and free themselves from government dependency. We have provided the tools: job search, employment assessment, individual responsibility plan, child care subsidies, on-the-job-training, and a wide variety of approved work activities directly related to employment.

Although the Governor vetoed an important section of our bill that would have required all recipients participate in job search activities at least 36 hours a week for the first four weeks of cash benefits, we still think they will be able to achieve our goal. States like Oregon have helped 19 percent of their welfare families find jobs in 1995 alone. The national average for caseload reduction is 18 percent. We should have no problem achieving our modest 15 percent goal over the next two years.

**Q. Will people's welfare checks get cut?**

**A.** Across-the-board grant reductions are not specifically referenced in this bill. State and federal welfare funding will remain stable over the next four years. The federal block grant is not reduced and the state will continue to fund welfare at the current level. As DSHS helps families off welfare and reduces its caseload, the department may keep the savings and redirect those savings to provide more help to those who need it. Since implementation of their welfare programs, other states like Oregon and Wisconsin have reduced their welfare caseloads by as much as one-third. This bill requires DSHS to operate within its budget with no reference to grant reductions or supplemental budget allocations. The Governor vetoed a section that would have allowed DSHS to partially reduce grants for those who partially participate in work activities. However, recipients who fail to participate in work activities without good cause may lose all or part of their grant.

**Q. Where will people find jobs?**

**A.** Washington's economy is healthy and unemployment is at an all-time low. Now is the time to seize the opportunity to help people find jobs. Ask any small businessperson what one of their biggest problems is right now and they'll tell you, "finding good people to work." With hard work, personal responsibility, and state support in the form of child care assistance, health care coverage, vocational training, and work experience, people will find and keep jobs. Like Oregon, this plan requires mandatory participation in a welfare-to-work program. Work activities include:

- \* On-the-job training;
- \* 12 months of vocational education;
- \* Community service positions;
- \* Providing child care for others on assistance; and
- \* Limited subsidized public and private employment.

The law authorizes DSHS to engage in competitive contracting with both private and public entities using performance-based contracts to provide all WorkFirst activities. This new program of services will help families get on the first rung of the economic ladder. Those families that start out in an entry-level, low-wage job receive state assistance as they persevere and move up the economic ladder.

For those who cannot find private sector work on their own, DSHS will create wage-subsidy programs. Subsidized employment may not displace any existing workers, it may not pay less than the minimum wage, and businesses must comply with state and federal labor and safety acts. People may also work in community service positions where they will receive their welfare grant as a paycheck. Like wage subsidy programs, these programs must be in compliance with federal and state health and safety rules and worker's compensation will be paid by the state. Work is better than welfare. Both parents and children benefit from work experience. Parents gain the dignity of working hard to support their family and children learn from their parents the value of a strong work ethic.

**Q. What if people can't find family-wage jobs?**

**A.** We don't expect everyone to find a “family-wage” job right away--although many will. Others will start out working in entry-level positions, gain experience, and move up the employment ladder much like the rest of us have.

In the meantime, this plan provides child care assistance to help parents make ends meet and allows them keep the first 50 percent of the income they earn without reducing their welfare grant.

**Q. How will this plan provide child care assistance?**

**A.** We believe that parents should have a wide variety of choices for the care of their children while they are working or participating in WorkFirst activities. Under the current system, parents are only eligible for child care assistance for a limited time after they leave public assistance. This forces many working mothers in low-wage jobs to quit when their child care assistance runs out.

This plan replaces four separate child care programs with a single, integrated child care program for all low-income, working families based on a sliding scale according to income. Any working family earning up to a certain percent of the federal poverty level who requires child care to stay in the workforce will pay a portion of their child care costs based on income.

To increase the availability of child care in our state and provide new jobs, 250 welfare recipients will be trained as child care providers.

**Q. What are the time limits?**

**A.** Starting immediately, continuous participation in the state’s welfare-to-work program is mandatory for all welfare recipients, including legal immigrants. As outlined in the federal welfare reform act, people are eligible for a maximum of 60 months of public assistance in their lifetime.

**Q. Who is exempt?**

**A.** Nearly everyone is expected to participate in work activities. Until June 1999, we allow an exemption from work activities for mothers with children under the age of one. After that time, the exemption will be provided only to mothers with children under the age of three months. This bill offers a work exemption for recipients with children under age six and no available child care. It also offers an exemption for recipients who have a disabled adult living in the household and no available care. When approved by DSHS, recipients may participate in community service activities designed to benefit themselves, their families, and their community.

We realize that certain individuals will have a more difficult time entering the workforce right away. Victims of domestic violence, battering, or sexual abuse are prime examples. We give DSHS the flexibility to determine how to handle these individual cases and offer the ability to exempt these recipients and their families from the time limits. DSHS may exempt a total of 20 percent of families on assistance from the time limits. However, no one may be exempt from the time limits until they've reached their 52<sup>nd</sup> month on assistance.

### **Q. Why not shorter time limits?**

A. Each family using temporary assistance has different needs as they set their goal to become free of public assistance through employment. According to the Washington State Institute for Public Policy in their Family Income Study (1987-1992):

- \* One-third of those on welfare will stay on temporarily, find work, and never come back;
- \* One-third will leave assistance and return again; and
- \* One-third will stay on continuously.

We think we can help change these percentages with our focus on job search and work activities, but we do not want to hurt children and families in the process. Our goal is to help 15 percent of our welfare families off assistance and into employment in two years. We want to help people into the workforce and up the economic ladder. If people can work, they should work.

Once a person is working, they can use that experience to take another step up the economic ladder to self-sufficiency. The goal is to help them off assistance as quickly as possible. The five-year lifetime cutoff provides an extra cushion for families that temporarily slip back into needing assistance sometime in the future.

### **Q. Why no family cap?**

A. Under the federal welfare reform act, almost everyone is required to either be employed or be working toward employment. The “family cap” was designed to deter women from having children when they were unable financially to support them or when they wanted to increase their cash grant benefit. The need for a cap is virtually eliminated because our work requirement provides just one 12-month exemption for the first child until 1999. After that, the exemption is offered only once to those with children under 3 months of age. Based on these changes and the 60-month lifetime limit, we believe families will make more responsible family decisions.

### **Q. What about teen parents?**

A. Teen mothers may no longer use welfare as a tool to gain independence from their parents. Teen mothers are required to live at home or in a DSHS-approved, adult-supervised situation to receive benefits. Unmarried teen mothers may not live with the father of their child if the elements of rape of a child (statutory rape) are present. Abstinence education will be encouraged as a way to prevent teen pregnancy in the first place.

### **Q. What are the child support provisions?**

A. The federal welfare reform bill stresses both parents must be responsible for the support of their children. As outlined in the federal plan, parents who fail to pay court-ordered child support may have their business, occupational, professional, recreational, and driver's licenses suspended.

### **Q. What about immigrants?**

A. This bill restores the safety net for all legal immigrants. All legal immigrants will be eligible to apply for:

- \* Cash grants, either through TANF or General Assistance-Unemployable (GAU);
- \* Food stamps, through a newly-created state program; and
- \* Medicaid, if they find themselves in need.

Newly arriving immigrants will be eligible after living continuously in Washington for one year.

When their immigration is approved by the federal government, newly-arriving legal immigrants must have an affidavit of support from a sponsor to enter our country. In Washington, for the first five years, sponsors' incomes will be deemed when determining new immigrants' eligibility for public assistance. Newly-arriving immigrants will become independently eligible for state public benefits after those five years or if their sponsor dies or becomes incapacitated before that time.

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